

**ND ASSOCIATION OF COUNTIES FUND**  
**INVESTMENT PERFORMANCE REPORT AS OF SEPTEMBER 30, 2006**

	September-06					August-06				July-06				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Policy	Quarter Net ROR	Month Net ROR	Market Value	Allocation	Policy	Month Net ROR	Market Value	Allocation	Policy	Month Net ROR	FYTD Net	FY06 Net	Ended 6/30/2006 Net	Ended 6/30/2006 Net
<b>LARGE CAP DOMESTIC EQUITY</b>																	
<i>Structured Growth</i>																	
Los Angeles Capital	35,353	4.3%	4.4%	1.60%	3.26%	33,379	4.1%	4.4%	2.18%	32,372	4.1%	4.4%	-3.70%	1.60%	11.12%	N/A	N/A
<b>Total Structured Growth</b>	<b>35,353</b>	<b>4.3%</b>	<b>4.4%</b>	<b>1.60%</b>	<b>3.26%</b>	<b>33,379</b>	<b>4.1%</b>	<b>4.4%</b>	<b>2.18%</b>	<b>32,372</b>	<b>4.1%</b>	<b>4.4%</b>	<b>-3.70%</b>	<b>1.60%</b>	<b>11.12%</b>	<b>12.01%</b>	<b>-0.32%</b>
Russell 1000 Growth				3.94%	2.75%				3.12%				-1.90%	3.94%	6.12%	8.35%	-0.76%
<i>Structured Value</i>																	
LSV	38,954	4.7%	4.4%	4.90%	1.86%	37,277	4.6%	4.4%	0.96%	36,597	4.6%	4.4%	2.02%	4.90%	15.05%	21.14%	12.22%
Russell 1000 Value				6.22%	1.99%				1.67%				2.43%	6.22%	12.10%	15.70%	6.89%
<i>Russell 1000 Enhanced Index</i>																	
LA Capital	70,517	8.6%	8.9%	3.71%	2.73%	66,922	8.3%	8.9%	2.09%	64,968	8.2%	8.9%	-1.11%	3.71%	11.58%	N/A	N/A
Russell 1000				5.06%	2.37%				2.40%				0.22%	5.06%	9.08%	N/A	N/A
<i>S&amp;P 500 Enhanced Index</i>																	
Westridge	75,299	9.2%	8.9%	5.75%	2.60%	80,360	9.9%	8.9%	2.41%	77,760	9.8%	8.9%	0.65%	5.75%	8.77%	N/A	N/A
S&P 500				5.67%	2.58%				2.38%				0.62%	5.67%	8.63%	N/A	N/A
<i>Index</i>																	
State Street	26,158			5.78%	2.76%	24,824			2.06%	24,095			0.85%	5.78%	9.51%	11.47%	2.62%
<b>Total Index</b>	<b>26,158</b>	<b>3.2%</b>	<b>3.0%</b>	<b>5.78%</b>	<b>2.76%</b>	<b>24,824</b>	<b>3.1%</b>	<b>3.0%</b>	<b>2.06%</b>	<b>24,095</b>	<b>3.0%</b>	<b>3.0%</b>	<b>0.85%</b>	<b>5.78%</b>	<b>9.51%</b>	<b>11.47%</b>	<b>2.62%</b>
S&P 500				5.67%	2.58%				2.38%				0.62%	5.67%	8.63%	11.22%	2.49%
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>246,280</b>	<b>30.0%</b>	<b>29.7%</b>	<b>4.49%</b>	<b>2.66%</b>	<b>242,762</b>	<b>30.0%</b>	<b>29.7%</b>	<b>2.02%</b>	<b>235,792</b>	<b>29.7%</b>	<b>29.7%</b>	<b>-0.24%</b>	<b>4.49%</b>	<b>10.95%</b>	<b>13.63%</b>	<b>3.95%</b>
S&P 500				5.67%	2.58%				2.38%				0.62%	5.67%	8.63%	11.22%	2.49%
<b>SMALL CAP DOMESTIC EQUITY</b>																	
<i>Manager-of-Managers</i>																	
SEI	98,913	12.0%	12.1%	-0.01%	1.39%	98,838	12.2%	12.1%	2.29%	91,750	11.6%	12.1%	-3.59%	-0.01%	13.58%	18.20%	7.84%
Russell 2000 + 200bp				0.94%	1.00%				3.13%				-3.09%	0.94%	16.86%	21.06%	10.38%
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>98,913</b>	<b>12.0%</b>	<b>12.1%</b>	<b>-0.01%</b>	<b>1.39%</b>	<b>98,838</b>	<b>12.2%</b>	<b>12.1%</b>	<b>2.29%</b>	<b>91,750</b>	<b>11.6%</b>	<b>12.1%</b>	<b>-3.59%</b>	<b>-0.01%</b>	<b>13.58%</b>	<b>18.20%</b>	<b>7.86%</b>
Russell 2000				0.44%	0.83%				2.96%				-3.25%	0.44%	14.58%	18.70%	8.50%
<b>INTERNATIONAL EQUITY</b>																	
<i>Large Cap - Active</i>																	
Capital Guardian	44,523	5.4%	5.3%	5.02%	0.67%	45,182	5.6%	5.3%	3.59%	42,592	5.4%	5.3%	0.71%	5.02%	28.07%	20.99%	6.90%
LSV	43,450	5.3%	5.3%	6.24%	1.91%	43,561	5.4%	5.3%	3.01%	41,285	5.2%	5.3%	1.21%	6.24%	27.09%	N/A	N/A
<b>Total Large Cap - Active</b>	<b>87,973</b>	<b>10.7%</b>	<b>10.6%</b>	<b>5.62%</b>	<b>1.28%</b>	<b>88,743</b>	<b>11.0%</b>	<b>10.6%</b>	<b>3.30%</b>	<b>83,877</b>	<b>10.6%</b>	<b>10.6%</b>	<b>0.95%</b>	<b>5.62%</b>	<b>27.66%</b>	<b>21.92%</b>	<b>12.63%</b>
MSCI EAFE - 50% Hedged				4.87%	0.90%				2.93%				0.98%	4.87%	26.72%	22.56%	6.89%
<i>Small Cap - Value</i>																	
Lazard	10,336	1.3%	1.3%	0.72%	0.34%	10,529	1.3%	1.3%	2.84%	9,988	1.3%	1.3%	-2.39%	0.72%	23.65%	28.06%	N/A
Citigroup Broad Market Index < \$2BN				1.53%	0.70%				2.90%				-2.02%	1.53%	29.28%	32.40%	N/A
<i>Small Cap - Growth</i>																	
Vanguard	10,671	1.3%	1.3%	3.73%	1.91%	10,712	1.3%	1.3%	2.33%	10,207	1.3%	1.3%	-0.53%	3.73%	29.24%	32.39%	N/A
Citigroup Broad Market Index < \$2BN				1.53%	0.70%				2.90%				-2.02%	1.53%	29.28%	32.40%	N/A
<b>TOTAL INTERNATIONAL EQUITY</b>	<b>108,979</b>	<b>13.3%</b>	<b>13.3%</b>	<b>4.93%</b>	<b>1.24%</b>	<b>109,983</b>	<b>13.6%</b>	<b>13.3%</b>	<b>3.16%</b>	<b>104,072</b>	<b>13.1%</b>	<b>13.3%</b>	<b>0.47%</b>	<b>4.93%</b>	<b>27.35%</b>	<b>23.83%</b>	<b>8.67%</b>
MSCI EAFE - 50% Hedged				4.87%	0.90%				2.93%				0.98%	4.87%	26.72%	22.56%	6.89%
<b>DOMESTIC FIXED INCOME</b>																	
<i>Core Bond</i>																	
Western Asset	112,772	13.7%	13.8%	4.45%	0.90%	113,463	14.0%	13.8%	1.81%	111,477	14.0%	13.8%	1.67%	4.45%	-0.90%	7.36%	8.59%
Lehman Aggregate				3.81%	0.88%				1.53%				1.35%	3.81%	-0.81%	2.05%	4.97%
<i>Core Plus/Enhanced</i>																	
Clifton Group	26,012	3.2%	3.2%	N/A	1.09%	25,841	3.2%	3.2%	1.49%	25,462	3.2%	3.2%	N/A	N/A	N/A	N/A	N/A
Prudential	25,722	3.1%	3.2%	N/A	1.42%	25,577	3.2%	3.2%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
<b>Total Core Plus/Enhanced</b>	<b>51,734</b>	<b>6.3%</b>	<b>6.4%</b>	<b>N/A</b>	<b>1.25%</b>	<b>51,418</b>	<b>6.4%</b>	<b>6.4%</b>	<b>1.49%</b>	<b>25,462</b>	<b>3.2%</b>	<b>3.2%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Lehman Aggregate				3.81%	0.88%				1.53%				1.35%				
<i>Index</i>																	
Bank of ND	49,600	6.0%	6.0%	3.10%	0.92%	49,353	6.1%	6.0%	1.05%	73,878	9.3%	9.2%	1.09%	3.10%	-1.14%	1.14%	4.90%
Lehman Gov/Credit (1)				3.91%	0.98%				1.58%				1.30%	3.91%	-1.52%	1.04%	4.78%
<i>BBB Average Quality</i>																	
Wells Capital (formerly Strong)	112,741	13.7%	13.8%	4.60%	1.06%	113,258	14.0%	13.8%	1.97%	111,110	14.0%	13.8%	1.50%	4.60%	-2.11%	2.63%	N/A
Lehman US Credit BAA				4.80%	1.13%				2.02%				1.58%	4.80%	-2.37%	2.63%	N/A
<b>TOTAL DOMESTIC FIXED INCOME</b>	<b>326,847</b>	<b>39.8%</b>	<b>40.0%</b>	<b>4.28%</b>	<b>1.01%</b>	<b>327,492</b>	<b>40.5%</b>	<b>40.0%</b>	<b>1.76%</b>	<b>321,926</b>	<b>40.6%</b>	<b>40.0%</b>	<b>1.45%</b>	<b>4.28%</b>	<b>-1.39%</b>	<b>6.59%</b>	<b>7.79%</b>
Lehman Aggregate (2)				3.81%	0.88%				1.53%				1.35%	3.81%	-0.81%	1.84%	5.28%
<b>CASH EQUIVALENTS</b>																	
Bank of ND	40,527	4.9%	5.0%	1.35%	0.42%	29,893	3.7%	5.0%	0.47%	39,980	5.0%	5.0%	0.45%	1.35%	4.50%	2.71%	2.42%
90 Day T-Bill				1.33%	0.46%				0.44%				0.42%	1.33%	4.00%	2.37%	2.25%
<b>TOTAL NDACo FUND</b>	<b>821,546</b>	<b>100.0%</b>	<b>100.0%</b>	<b>3.76%</b>	<b>1.55%</b>	<b>808,968</b>	<b>100.0%</b>	<b>100.0%</b>	<b>2.02%</b>	<b>793,521</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.16%</b>	<b>3.76%</b>	<b>6.38%</b>	<b>8.63%</b>	<b>5.44%</b>
<b>POLICY TARGET BENCHMARK</b>				3.97%	1.36%				2.09%				0.48%	3.97%	6.01%	7.83%	5.26%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.

(2) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.